

Message Text

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TAGS: ETEL, UK
SUBJECT: TRANSATLANTIC TELECOMMUNICATIONS FACILITIES

SUMMARY: UKG HAS EXPRESSED CONCERN ABOUT CONCLUSIONS
OF FCC GUIDELINES AND RULE-MAKING ON NORTH ATLANTIC
TELECOMMUNICATION FACILITIES PLANNING, PRIMARILY THE
FINDING AGAINST ANY NEW TRANSATLANTIC SUBMARINE CABLE
BEFORE 1985. THIS MESSAGE REPORTS COMMENTS WHICH UKG
REQUESTS STATE BRING TO ATTENTION OF FCC WITH A VIEW TO
FINDING A BASIS FOR REOPENING THE MATTER. END SUMMARY.

1. FOREIGN OFFICE ASSISTANT UNDER SECRETARY R. A.
BURROWS SUMMONED THE EMBASSY'S EC MINISTER TO THE FCO
FEBRUARY 7 TO HEAR UK VIEWS AS INDICATED ABOVE. A SUM-
MARY OF HIS COMMENTS FOLLOWS.

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2. THE UKG EXPRESSES CONCERN ABOUT THE CONCLUSIONS OF
THE DECEMBER 23, 1977 GUIDELINES AND RULE-MAKING, WHICH,
IN ITS VIEW, NOT ONLY ABRUPTLY CUT SHORT INTERNATIONAL
DISCUSSION ON THE REQUIREMENTS OF THE MASTER PLAN FOR
NORTH ATLANTIC FACILITIES BEFORE 1985 BUT DID SO IN
TERMS REJECTING THE UNANIMOUS VIEWS OF THE EUROPEAN
TELECOMMUNICATIONS ADMINISTRATIONS (NOT TO MENTION THE

U.S. AND CANADIAN CARRIERS). THE RULING APPEARS ILL-FOUNDED AND ARBITRARY IN REQUIRING (BINDING ON U.S. CARRIERS AND THEREFORE DECISIVE) THAT NO NEW TRANS-ATLANTIC CABLE SHOULD BE BUILT BEFORE 1985. THE BRITISH AND EUROPEAN AUTHORITIES INVOLVED AS WELL AS THE U.S. AND CANADIAN CARRIERS THINK SUCH A LINK IS DESIRABLE AND FULLY JUSTIFIED AND SHOULD BE BUILT BY 1981. IN FACT, PLANNING HAD REACHED AN ADVANCE STAGE PRIOR TO THE FCC'S RULING. THE BRITISH NOTE THAT EVEN WITHIN THE COMMISSION A MINORITY VIEW HAS BEEN POWERFULLY EXPRESSED THAT THE RULING IS NOT SOLIDLY BASED ON THE COMMISSION'S OWN POLICY GUIDELINES OR ON AVAILABLE DATA.

3. IT IS PRINCIPALLY FOR THE TELECOMMUNICATIONS ADMINISTRATIONS INVOLVED TO PUT FORWARD TECHNICAL COMMENTS. UK UNDERSTANDS THIS HAS BEEN DONE BY LETTER FROM CHAIRMAN OF CEPT TO CHAIRMAN OF FCC DATED JANUARY 31, COPIES OF WHICH WERE SENT TO STATE AND OTHERS CONCERNED. (EMBASSY HAS COPY WHICH CAN BE FORWARDED IF NEEDED.) HOWEVER, THERE REMAIN AREAS OF SIGNIFICANT TECHNICAL AND ECONOMIC DISAGREEMENT, AND UKG CONSIDERS TERMINATION OF DEBATE AT THIS STAGE PREMATURE.

4. AMONG POINTS NOT SATISFACTORILY RESOLVED ARE THE FOLLOWING:

(A) THERE IS A BUILT-IN BIAS TOWARDS THE USE OF LIMITED OFFICIAL USE

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SATELLITE COMMUNICATIONS CAUSED BY TREATING INTELSAT'S PLANS AS GIVEN, AND THEREFORE INCURRING NO ADDITIONAL COST, WHILE ADDITIONAL CABLE FACILITIES ARE TREATED AS A MARGINAL ELEMENT TO BE ADOPTED ONLY IF FORECASTS OF SATELLITE CAPACITY SHOW THAT THERE WILL BE INSUFFICIENT TO MEET TRAFFIC FORECASTS;

(B) OVER AND ABOVE THIS THE FCC'S VIEWS ON THE TRUE CAPACITY OF INTELSAT IN THE PERIOD UNDER CONSIDERATION, AND ITS ABILITY TO MEET ALL TRAFFIC DEMANDS, ARE WIDELY REGARDED AS OVER-OPTIMISTIC;

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(C) THE FCC GIVES QUITE INADEQUATE WEIGHT TO THE REQUIREMENT, PARTICULARLY AT THE EUROPEAN END OF THE TRANSATLANTIC NETWORK, FOR ADEQUATE DIVERSITY OF LINKS TO PERMIT MAINTENANCE OF AN ACCEPTABLE TRAFFIC FLOW IN THE EVENT OF A MAJOR FAILURE OF ANY SINGLE LINK;

(D) THE WAY IN WHICH THE FCC CALCULATES THE COSTS TO THE CONSUMER OF CABLE AND SATELLITE FACILITIES RESPECTIVELY FAILS TO PUT THE TWO SETS OF FIGURES ON A COMPARATIVE BASIS AND ONCE AGAIN DISTORTS THE RESULTS OF

THE ANALYSIS IN FAVOR OF SATELLITE SYSTEMS.

5. ALSO, THE INDUSTRIAL IMPLICATIONS OF THE FCC RULING ARE UNACCEPTABLE TO THE UK, REPRESENTING ARTIFICIAL RESTRAINT ON THE DEVELOPMENT OF CABLE TECHNOLOGY AND THE CABLE INDUSTRY. THE RULING WOULD HAVE THE EFFECT OF GIVING U.S. INDUSTRY A VIRTUAL MONOPOLY OF PROVISION OF NORTH ATLANTIC TELECOMMUNICATIONS FACILITIES FOR THE FORESEEABLE FUTURE BY REASON OF ITS DOMINANCE IN SUPPLYING SPACE SEGMENTS.

6. THE UKG, BURROWS CONTINUED POLITELY BUT EMPHATICALLY WISHES TO EXPRESS ITS SURPRISE AND REGRET THAT THE FCC SHOULD HAVE DECIDED TO REJECT THE UNANIMOUS VIEWS OF LIMITED OFFICIAL USE

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ALL OTHER PARTIES. IN ADDITION, THE DECISION FAILS COMPLETELY TO ENCOURAGE COMPETITION BETWEEN CABLE AND SATELLITE TECHNOLOGY, EVEN THOUGH THE FCC'S PERTINENT GUIDELINE CALLS FOR PROMOTION OF BOTH TECHNOLOGIES.

7. THE DECISION ALSO APPEARS TO BE CONTRARY TO THE POLICY GUIDELINE WHICH REFERS TO ADEQUATE, RELIABLE, LOW COST COMMUNICATIONS FACILITIES BETWEEN EUROPE AND NORTH AMERICA AS "A MATTER OF COMMON INTEREST AND CONCERN TO COMMUNICATIONS USERS, OPERATING ENTITIES AND GOVERNMENTS" ON BOTH SIDES. THE FCC PLAN HAS THE BACKING OF NONE OF THE PARTIES MENTIONED AND APPEARS TO BE SERIOUSLY DEFICIENT IN SEVERAL RESPECTS IN ITS ASSESSMENT OF THE ALTERNATIVE OPTIONS.

8. IN THE UK VIEW THERE IS NOW A PRESSING NEED TO FIND A BASIS ON WHICH FCC COULD REOPEN THIS QUESTION. FAILURE TO ACHIEVE THIS WOULD INVOLVE THE RISK OF SEVERAL YEARS OF TENSION AND ACRIMONY BETWEEN EUROPEAN AND U.S. INTERESTS, ALSO RISK OF FAILURE TO PROVIDE OPERATIONALLY EFFICIENT TELECOMMUNICATIONS NETWORK FOR THE EARLY 1980'S. U.K. BELIEVES ALL CONCERNED SHOULD WORK TOGETHER TO DEVELOP REVISED GUIDELINES WHICH REFLECT, ON THE BASIS OF THE PRINCIPLES OF INTERNATIONAL COMITY, THE INTERESTS OF ALL CONCERNED, IN EUROPE AS WELL AS THE U.S. THE PROCESS WILL REQUIRE ACCOMMODATION AND COMPROMISE AND CANNOT BE SATISFACTORILY RESOLVED BY THE ARBITRARY IMPOSITION OF ONE PARTY'S VIEWS AGAINST THE WILL OF THE REMAINDER. THE UK, THEREFORE, SEEKS THE GOOD OFFICES OF STATE IN BRINGING THEIR VIEWS TO THE ATTENTION OF THE FCC AND IN DEVISING A BASIS TO ALLOW THE MATTER TO BE REOPENED AND A MASTER PLAN SATISFACTORY TO ALL PARTIES TO BE WORKED OUT.

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9. BURROWS SAID, IN RESPONSE TO A QUESTION, THAT HE
THINKS TWO OR THREE OTHER EUROPEAN GOVERNMENTS ALSO
WILL BE APPROACHING US REGARDING THE MATTER.
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